

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT				1. CONTRACT ID CODE <div style="text-align: center;">0</div>		PAGE OF PAGES <div style="text-align: center;">1 3</div>	
2. AMENDMENT/MODIFICATION NO. P00004		3. EFFECTIVE DATE 01-Oct-2001		4. REQUISITION/PURCHASE REQ. NO.		5. PROJECT NO.(If applicable)	
6. ISSUED BY AETC CONS 82 CONS/LGCK 2021 FIRST STREET WEST RANDOLPH AFB, TX 78150-4302		CODE FA3002		7. ADMINISTERED BY (If other than item 6) 82 CONS/LGC (LINDA LITTLE, CONTRACTING OFFICER) LINDA.LITTLE@SHEPPARD.AF.MIL 136 K AVENUE, SUITE 1 SHEPPARD AFB, TX 76311-2746		CODE FA3020	
8. NAME AND ADDRESS OF CONTRACTOR (No., Street, County, State and Zip Code) LEAR SIEGLER SERVICES, INC 175 ADMIRAL COCHRANE DRIVE ANNAPOLIS, MD 21401 CODE 08MB5				9A. AMENDMENT OF SOLICITATION NO.			
				9B. DATED (SEE ITEM 11)			
				X 10A. MOD. OF CONTRACT/ORDER NO. F41689-01-C-0029			
				X 10B. DATED (SEE ITEM 13) 11-Oct-2001			
FACILITY CODE							
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS							
<input type="checkbox"/> The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offer <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the document; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or telegram which includes a reference to the solicitation and amendment numbers. FAILURE OF YOUR ACKNOWLEDGMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN THE REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by telegram or letter, provided each telegram or letter makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.							
12. ACCOUNTING AND APPROPRIATION DATA (If required)							
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS. IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14.							
A.THIS CHANGE ORDER IS ISSUED PURSUANT TO: (Specify authority) THE CHANGES SET FORTH IN ITEM 14 ARE MADE IN THE CONTRACT ORDER NO. IN ITEM 10A.							
B.THE ABOVE NUMBERED CONTRACT/ORDER IS MODIFIED TO REFLECT THE ADMINISTRATIVE CHANGES (such as changes in paying office, appropriation date, etc.) SET FORTH IN ITEM 14, PURSUANT TO THE AUTHORITY OF FAR 43.103(B).							
X C.THIS SUPPLEMENTAL AGREEMENT IS ENTERED INTO PURSUANT TO AUTHORITY OF: Chapter 137, Title 10 U.S.C.							
D.OTHER (Specify type of modification and authority)							
E. IMPORTANT: Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u>1</u> copies to the issuing office.							
14. DESCRIPTION OF AMENDMENT/MODIFICATION (Organized by UCF section headings, including solicitation/contract subject matter where feasible.) This modification is being issued to make administrative changes to the contract.							
Except as provided herein, all terms and conditions of the document referenced in Item 9A or 10A, as heretofore changed, remains unchanged and in full force and effect.							
15A. NAME AND TITLE OF SIGNER (Type or print)				16A. NAME AND TITLE OF CONTRACTING OFFICER (Type or print) LINDA C. LITTLE / CONTRACTING OFFICER			
15B. CONTRACTOR/OFFEROR _____ (Signature of person authorized to sign)		15C. DATE SIGNED		16B. UNITED STATES OF AMERICA BY _____ (Signature of Contracting Officer)		16C. DATE SIGNED 17-Oct-2001	

EXCEPTION TO SF 30

APPROVED BY OIRM 11-84

30-105-04

STANDARD FORM 30 (Rev. 10-83)

Prescribed by GSA

FAR (48 CFR) 53.243

CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED	PAGE
	F41689-01-C-0029-P00004	2 OF 3
NAME OF OFFEROR OR CONTRACTOR LEAR SIEGLER SERVICES, INC		

SECTION SF 30 BLOCK 14 CONTINUATION PAGE

SUMMARY OF CHANGES

CAGE: 08MB5 DUNS: 073871048 TIN: 52-1605019

14A. This modification is being issued to make administrative changes to the contract.

- (1) Remove current Page 35 of 67 and replace with attached Page 35 of 67.
Corrects CLIN numbers in B-3(a).
- (2) Remove current Page 37 of 67 and replace with attached Page 37 of 67.
Corrects references in B-8.
- (3) Remove current Page 42 of 67 and replace with attached Page 42 of 67.
Corrects references in B-10.
- (4) Remove current Page 43 of 67 and replace with attached Page 43 of 67.
Corrects CLIN numbers in B-12(c).
- (5) Remove current Page 44 of 67 and replace with attached Page 44 of 67.
Corrects language in B-12 (NOTE).
- (6) Remove current Page 47 of 67 and replace with attached Page 47 of 67.
Corrects CLIN numbers in Section E, Inspection & Acceptance Terms.
- (7) Remove current Page 49 of 67 and replace with attached Page 49 of 67.
Corrects CLIN numbers in Delivery Information.
- (8) Remove current Page 51 of 67 and replace with attached Page 51 of 67.
Corrects language in Clause H-91.
- (9) Remove current Page 57 of 67 and replace with attached Page 57 of 67.
Corrects CLIN numbers in Clause I-166.
- (10) Remove current Page 67 of 67 and replace with attached Page 67 of 67.
Adds date to Attachments 7 and 8.
- (11) Remove current Section J – Attachment 5 and replace with attached Section J – Attachment 5. Corrects incorrect attachment number in footer.
- (12) Remove current Section J – Attachment 8 and replace with attached Section J – Attachment 8. Corrects administrative errors and incorrect attachment number in footer.
- (13) Remove current Section J – Attachment 9 and replace with attached Section J – Attachment 9. Corrects incorrect attachment number in footer.

CONTINUATION SHEET	REFERENCE NO. OF DOCUMENT BEING CONTINUED F41689-01-C-0029-P00004	PAGE 3 OF 3
NAME OF OFFEROR OR CONTRACTOR LEAR SIEGLER SERVICES, INC		

14B. No other changes are made to the contract.

Changes in Section G

Summary for the Payment Office

No changes were made to the total contract price as a result of this modification.

25 OCT 2000

EQUIVALENT RATES FOR FEDERAL HIRES

IF THE WORK SPECIFIED IN THIS SOLICITATION/CONTRACT WERE DONE BY FEDERAL WORKERS, THE FOLLOWING CATEGORIES AND RATES WOULD BE APPLICABLE. SEE PARAGRAPH I-284 FOR APPLICABLE FRINGE BENEFITS FOR FEDERAL WORKERS.

<u>CLASS OF SERVICE</u> <u>EMPLOYEES</u>	<u>WAGE</u> <u>CLASS</u>	<u>HOURLY WAGE</u> <u>RATE</u>
AGE Mechanic	WG-10/2	\$15.08
Aircraft CAMS/Logistic Specialist	GS-7	\$13.54
Aircraft Mechanic	WG-10/2	\$15.08
Aircraft Mechanic AT-38B	WG-10/2	\$15.08
Aircraft Mechanic Transient	WG-10/2	\$15.08
Aircraft Washer	WG-5/2	\$11.21
Armament/Weapons Loader Specialist	WG-8/2	\$13.53
Avionics Specialist	WG-9/2	\$14.30
Engine Controller	GS-9	\$16.57
Battery Specialist	WG-5/2	\$11.21
Brake/Tire Specialist	WG-8/2	\$13.53
Budget Monitor	GS-5	\$10.93
Chemical Cleaning Specialist	WG-7/2	\$12.76
Clerk Aircraft/Engine Documentation	GS-3	\$ 8.71
Clerk CAMS Data Entry	GS-3	\$ 8.71
Clerk, Fuels	GS-3	\$ 8.71
Clerk, General	GS-3	\$ 8.71
Clerk, Tech Order Distribution	GS-4	\$ 9.77
Computer Program Specialist (ADP)	GS-9	\$16.57
Corrosion Control Specialist	WG-9/2	\$14.30
Debriefing, Aircraft/Aircrew	GS-9	\$16.57
Distillation Specialist	WG-6/2	\$12.01
Egress Specialist	WG-8/2	\$13.53
Electrical/Battery Specialist	WG-8/2	\$13.53
Electrical/In-Shop Specialist	WG-8/2	\$13.53
Engine Mechanic	WG-10/2	\$15.08
Environmental Specialist	WG-10/2	\$15.08
Fabric Worker	WG-5/2	\$11.21
Inspector AGE	WG-9/2	\$14.30

EQUIVALENT RATES FOR FEDERAL HIRES CON'T:

<u>CLASS OF SERVICE</u> <u>EMPLOYEES</u>	<u>WAGE</u> <u>CLASS</u>	<u>HOURLY WAGE</u> <u>RATE</u>
Inspector, Inst/Comnav/Elect	GS-9	\$16.57
Inspector, Propulsion	WG-9/2	\$14.30
Inspector, Quality Control	GS-9	\$16.57
Inspector, Weapons	WG-9/2	\$14.30
Lead, AGE	WL-10/3	\$17.26
Lead, Aircraft Mechanic	WL-10/3	\$17.26
Lead, Aircraft Mechanic AT-38B	WL-10/3	\$17.26
Lead, Armament/Weapons	WL-10/3	\$17.26
Lead, Avionics Specialist	WL-9/3	\$16.35
Lead, Corrosion Control	WL-9/3	\$16.35
Lead, Egress Shop	WL-9/3	\$16.35
Lead, Electrical/Battery Shop	WL-9/3	\$16.35
Lead, Engine Mechanic	WL-10/3	\$17.26
Lead, Fuels Section	WL-8/3	\$15.50
Lead, NDI Shop	WL-11/3	\$18.15
Lead, Plans/Schedule/Documentation	GS-9	\$16.57
Lead, Plastic Media Blast	WL-10/3	\$17.26
Lead, Pneudraulic/Brake/Tire	WL-10/3	\$17.26
Lead, Quality Control	GS-10	\$18.24
Lead, Structural Repair	WL-10/3	\$17.26
Lead, Survival Equipment	WL-8/3	\$15.50
Lead, Workload Control	GS-9	\$16.57
Machinist	WG-10/2	\$15.08
Maintenance Specialist/PMB	WG-8/2	\$13.53
NDI Specialist (Level I)	WG-8/2	\$13.53
NDI Specialist (Level II)	WG-11/2	\$15.84
OAP Specialist	WG-7/2	\$12.76
Plastic Media blasting Specialist	WG-9/2	\$14.30
Property Control Monitor	GS-4	\$ 9.77
Repair Cycle Monitor	WG-6/2	\$12.19
Scheduler, Aircraft/Engine	GS-6	\$12.19
Senior AGE Mechanic	WG-11/3	\$16.49
Senior Aircraft Mechanic	WG-11/3	\$16.49

EQUIVALENT RATES FOR FEDERAL HIRES CON'T:

<u>CLASS OF SERVICE</u> <u>EMPLOYEES</u>	<u>WAGE</u> <u>CLASS</u>	<u>HOURLY WAGE</u> <u>RATE</u>
Senior Aircraft Mechanic/Transient	WG-11/3	\$16.49
Senior Aircraft Washer	WG-6/3	\$12.49
Senior Armament/Weapons Load Specialist	WG-11/3	\$16.49
Senior Avionics Specialist	WG-11/3	\$16.49
Senior Computer Systems Specialist III	GS-11	\$20.05
Senior Corrosion Control Specialist	WG-10/3	\$15.69
Senior Egress Specialist	WG-10/3	\$15.69
Senior Elect/Battery Specialist	WG-11/3	\$16.49
Senior Engine Mechanic	WG-11/3	\$16.49
Senior Environmental Specialist	WG-11/3	\$16.49
Senior Fabric Worker	WG-6/3	\$12.49
Senior Machinist	WG-11/3	\$16.49
Senior P/B/T Specialist	WG-11/3	\$16.49
Senior Repair Cycle Monitor	GS-9	\$16.57
Senior Sheet Metal Specialist	WG-11/3	\$16.49
Senior Scheduler, Aircraft/Engine	GS-9	\$16.57
Senior Welder, Aircraft	WG-11/3	\$16.49
Senior Workload Control Specialist	GS-7	\$13.54
Senior Metal Specialist	WG-10/3	\$15.69
Survival Equipment Specialist	WG-8/2	\$13.53
Technical Information Specialist	GS-7	\$13.54
Tire Monitor	WG-6/2	\$12.01
Tow Crew Brake Rider	WG-5/2	\$11.21
Tow Crew Nose Walker	WG-4/2	\$10.47
Tow Crew Wing Walker	WG-4/2	\$10.47
Tow Vehicle Operator	WG-6/2	\$12.01
Training Specialist	GS-7	\$13.54
Vehicle/AGE Mechanic	WG-10/2	\$15.08
Vehicle Operator	WG-7/2	\$12.76
Welder, Aircraft Engine	WG-10/2	\$15.08
Workload Control Specialist	GS-7	\$13.54



AWARD FEE EVALUATION PLAN (AFEP)
AIRCRAFT MAINTENANCE SUPPORT SERVICES

SHEPPARD AFB

CONTRACT NO. F41689-01-C-0029

1 OCTOBER 2001

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AFEP Attachments:

1. Award Fee Allocation, 2 Pages
2. Award Fee Criteria, 5 Pages
3. Award Fee Evaluation Criteria Example, 2 Pages
4. Sample Contract Performance Evaluation Report, 1 Page
5. Special Interest Item Format, 1 Page

AWARD FEE EVALUATION PLAN (AFEP)

SECTION A -- INTRODUCTION.

1. Purpose: This award fee plan applies to contractor performance for aircraft maintenance services specified in the Statement of Work in support of the 80th Flying Training Wing (FTW) Sheppard AFB, TX. The purpose of this plan is to define responsibilities and procedures for determining the award fee if periodic award to the contractor is warranted. The award fee objective is to positively motivate and reward the contractor to perform beyond the standard that is expected of a contractor of demonstrated ability and to emphasize key areas of management concern. This plan provides organization, specific policy, and procedural guidance by which contract performance is evaluated by award fee monitors, commanders, the administrative contracting officer, and the contractor. The subjective assessment of this collective input will be the basis upon which the award fee will be awarded for each evaluation period. Allocation of the award fee is the responsibility of the Fee Determining Official (FDO). That determination is final.

2. Explanation of Terms:

a. Administrative Contracting Officer (ACO) -- The individual assigned the responsibility of administering the contract for the contracting officer.

b. Award Fee Pool -- The amount of fee set forth in the contract that can be awarded in accordance with this plan.

c. Award Fee Evaluation Plan (AFEP) -- A plan that identifies categories of performance and clearly describes the criteria used to evaluate the contractor's performance. The plan also allocates the award fee pool among the performance categories.

d. Award Fee Monitor -- A Government representative designated to observe, assess, and report the award fee performance of the contractor in accordance with the procedures set forth in this plan, i.e., Technical Operations, Program Management, and Efficient Use of Government Resources. May be required to receive, analyze, collate, and report data from other sources.

e. Award Fee Review Board (AFRB) -- A group of Government officials responsible for evaluating Award Fee Monitor reports and recommending an appropriate award fee to the Fee Determining Official. The AFRB also reviews and makes recommendations for significant changes to the Award Fee Evaluation Plan such as changes in criteria and/or associated weighting factors.

f. Contracting Officer (CO) -- The individual responsible for ensuring performance of all necessary actions for effective contracting, ensuring compliance with the terms of the contract, and safeguarding the interests of the United States in its contractual relationships. The CO is the only Government official authorized to bind the United States in contractual matters.

g. Chief Government Quality Assurance Representative -- The Chief Government Quality Assurance Representative will compile and evaluate data submitted by the award fee monitors and prepare and present an overall evaluation of the contractor performance.

h. Criteria -- The significant divisions or objectives of performance to be rated under this plan.

i. Fee Determining Official (FDO) -- The official designated to review the recommendation of AFRB in order to make the final determination of the award fee.

j. Functional Commander (FC) -- Evaluates data submitted by the award fee monitors for the various functional areas under his/her command.

k. Government Quality Assurance Representative -- The individual who is assigned to regularly monitor and evaluate the contractor's performance in a functional area on a continuing basis.

l. Secretariat -- The person responsible for coordinating the logistics of arranging the periodic AFRB meeting. Duties include contacting the FDO, AFRB members, the functional organization representatives, and the contractor to inform them of the meeting date, time, and place. The secretariat is also responsible for preparing the decision document.

3. Areas Subject to Evaluation: The contractor's performance will be evaluated in the areas of Technical Operations, Program Management, and Efficient Use of Government Resources using the evaluation criteria set forth in the applicable attachments hereto for each major award fee area.

4. Organization:

a. The FDO shall be the Commander, 80 FTW. In the event of FDO absence, only the Deputy Operations Group Commander, 80 FTW, may act in his/her place. Due to the uniqueness of the NATO mission at Sheppard, the 80 FTW Commander will also serve as the Functional Commander and Chairperson of the AFRB.

b. The AFRB shall be composed of the following members:

(1) Commander, 80 FTW, Chairperson, Voting member

(2) Chief, Executive Programs, 80 FTW, Voting member

(3) Deputy Operations Group Commander, 80 FTW, Voting member

(4) Commander, 82 CONS, Advisor, non-voting member

(5) Chief Quality Representative 80 FTW, Advisor, non-voting member

(6) Administrative Contracting Officer, Advisor & Recorder, non-voting member

Note: In the absent of a voting member, the FDO may appoint a substitution.

The ACO is designated the AFRB recorder and will record the minutes of all AFRB meetings. The minutes of each AFRB meeting will become part of the official contract file. The chairperson will resolve any matters of dispute within the group. The ACO shall serve as secretariat and advisor to the AFRB. The AFRB may designate other personnel to assist them in their efforts such as making arrangements for appropriate equipment for briefings and providing advance copies of Government Quality Assurance Representative recommendations to the AFRB. If members of the AFRB are absent, personnel with similar qualifications may be substituted.

c. Technical and functional experts will be used, as required, as advisors only and not as voting members of the AFRB.

d. Award Fee Monitors for the Technical Area will be the Government Quality Assurance Representatives and all contracting personnel who have authority under the contract/Award Fee Plan. Technical Award Fee Monitors will be identified by the ACO in accordance with appropriate contract provision.

SECTION B -- EVALUATION PROCEDURES.

For the purpose of award fee determination, the procedures set forth below will be utilized:

1. General:

a. Award fee performance will be reviewed and evaluated for the combined mobilization period and the first three months of the basic contract period (a single evaluation covering all of Sep 01 and Oct-Dec 01, again during the period of Jan-Mar 02, again during the period of Apr-Jun 02, and again during the period of Jul-Sep 02) by the AFRB and an award fee recommended to the FDO. Thereafter, award fee performance will be reviewed and evaluated quarterly in each option year by the AFRB and an award fee recommended to the FDO.

b. The total award fee available for the basic contract period is six (6) percent of the target cost. Each option year will have a total award fee available of six (6) percent of the target cost (Part A). The amount of award fee available during each award fee evaluation period for the basic period and each option year will be twenty-five (25) percent. See Attachment 1 for the Allocation of Award Fee for each Technical Operations, Program Management, and Efficient Use of Government Resources area.

c. If the service provider is not the incumbent, the award fee amounts for the first evaluation period will be awarded based upon a subjective evaluation of the effectiveness of the mobilization and changeover. Award fee amounts for the first evaluation period will be awarded based upon a subjective evaluation of effectiveness of the mobilization and initial contract performance. For the mobilization period, the contractor shall be evaluated on adherence to the mobilization plan as incorporated in the contract. Also considered will be

adherence to timelines established in the Statement of Work for such items as submittal of contract regulations, quality control and training plans, safety and health plans, names and phone numbers of contract management and supervisory personnel, etc. The contractor will also be evaluated on the timely commencement of performance in each functional area by the dates specified in the contract with qualified/certified personnel in place (including all ancillary tasks such as, budget management, publications management, etc.), and all necessary but previously unforeseen performance adjustments ("work-arounds") implemented to ensure a smooth bed-down and the effective integration into the mission.

d. The contractor begins the evaluation period with 0 percent of the available award-fee and works up to the earned award-fee based on performance during that evaluation period. The contractor does not begin with 100 percent of the available award-fee and the amount reduced. In the event the AFRB does not recommend all the available allocated award fee amount in each area for the period, the amounts remaining shall be available to the FDO to be awarded at his/her discretion. For example, the FDO could use this amount to reward the contractor for special interest item efforts; (e.g. special events, exercises, etc.) or provide the contractor additional fee above that recommended by the AFRB if, in the opinion of the FDO, the AFRB was too harsh in its evaluation.

e. In the basic contract period, unearned award fee for the first evaluation period will be carried over into the second evaluation period. Thereafter, any unearned amount after the second evaluation period cannot be recouped in subsequent evaluation periods. Unearned award fee amounts will not be carried over for any evaluation periods.

f. For each evaluation, the AFRB shall convene on dates and at the time and place established by the Secretariat. Information to be considered by the AFRB shall include, as a minimum, the following:

- (1) Evaluations by designated award fee monitors.
- (2) Assessment of informal inputs from other sources (i.e., IG, DCAA, GAO, staff visits, etc.) as considered necessary or appropriate by the AFRB.
- (3) The contractor's self-assessment of performance. Any documentation, including an outline of a briefing, supporting the self-assessment will be submitted by the contractor to the ACO within ten (10) working days after the end of each evaluation period.

g. The Government reserves the right to consider all elements and aspects of the contractor's performance in developing its final award fee determination. Such consideration may be reflected in the Program Management Area.

h. The criteria in this plan will not be amended without coordination with HQ AETC/LGP.

i. The Government shall furnish written notification of any substantive changes to the award fee plan such as changes in performance criteria and/or assigned weights to the contractor no later than 15 calendar days prior to the first day of the new evaluation period.

j. Any proposed changes to this plan will be sent in writing to the contracting officer. The contracting officer will incorporate changes into the contract by modification. Changes will not be retroactive unless the AFRB concurs with the contracting officer's determination that the change is in the best interest of the Government. Retroactive changes may be made to administrative and/or procedural requirements. Substantive changes, such as those referenced in paragraph h above, shall not be made retroactive.

k. Nothing in this plan shall excuse the contractor from complying with the terms and conditions of the contract. The contracting officer shall resolve, in writing, any conflict, apparent or actual, between the Award Fee Evaluation Plan and the contract within seven (7) working days after written notification.

2. Evaluation Weights and Criteria: The Technical Operations, Program Management, and Efficient Use of Government Resources weights are in Attachment 1.

a. The Technical Operations criterion has been selected from among the key performance requirements set forth in Section 3, Statement of Work, and thresholds listed in Section 3-2 of the Statement of Work for Sheppard AFB.

b. The Program Management criterion is based on the contractor's ability to manage the total contract requirement. The AFRB award fee recommendation to the FDO will be based primarily on their perception of the contractor's compliance with the overall "spirit" of the contract. For example, they will consider the contractor's initiative, teamwork, dedication, diligence, small business participation, etc., in meeting the overall mission.

c. The Efficient Use of Government Resources criterion is based on an Operations and Maintenance (O&M) flying hour cost savings derived from management actions such as budget control, supply discipline, and maintenance initiatives. Basis for criteria will be initiatives and improvements in the cost effectiveness, readiness, and safety of products in the Air Force operational inventory.

3. Fee Determination Process:

a. Within ten (10) working days after the end of each month, the Chief Government Quality Assurance Representative will submit the Interim Award Fee Evaluation Report to the ACO through the FC. A copy of the report provided to the ACO will be retained by the Chief Government Quality Assurance Representative and maintained in a working file with all supporting documentation to be made available to the AFRB upon request.

b. Within ten (10) working days after the end of the evaluation period, the Chief Government Quality Assurance Representative will forward to the FC and the ACO an Award Fee Evaluation Report, using the report format in Attachment 4, containing criterion's achievement for the semi-annual period that was compared with criteria listed in Attachment 2, and a compilation of examples/comments that reflect the contractor's support of rating criteria. The AFRB will determine the level of performance to be awarded.

c. Within ten (10) working days after the end of each evaluation period, the contractor may submit to the ACO a written statement of his performance during the award fee period. The contractor should indicate whether he wants to present a formal presentation of his performance to the AFRB.

d. The AFRB secretariat will schedule a AFRB meeting to be held no later than 30 calendar days after the end of the evaluation period. A copy of the written evaluation will be provided to each AFRB member for their review at least three (3) working days prior to the AFRB meeting.

e. The AFRB will convene and evaluate the contractor's performance. In the evaluation of award fee performance, factors or causes beyond the contractor's control that preclude achievement of a higher award fee performance level will not be considered against the contractor's performance. Within 30 calendar days after period close-out, the Government Quality Assurance Representatives shall present their fee recommendation to the AFRB. The FDO may accept or amend the Government Quality Assurance Representatives' recommendation. The contractor shall also be afforded, upon request, an opportunity to make an award fee presentation (oral or written) to the AFRB. An oral presentation will not exceed 30 minutes. A copy of any presentation will be provided to the AFRB prior to its presentation.

f. The FDO will transmit the determination to the contractor through the ACO. Within 45 calendar days after the end of the evaluation period, the ACO will issue a unilateral modification to the contract to provide for the award fee earned and distribute it to the contractor and applicable DFAS office. The contractor may immediately submit a voucher for the award fee earned.

g. The ACO shall provide a copy of the evaluation report, to include award fee determination data, to HQ AETC/LGP not later than 45 calendar days after the end of the evaluation period.

4. Report Consolidation:

a. The Chief, Government Quality Assurance Representative will consolidate the monthly award fee Technical Operations, Program Management, and Efficient Use of Government Resources evaluation reports at the close of each evaluation period. The consolidated report will be provided to the ACO who in turn will provide it to the AFRB.

b. After AFRB evaluation and assessment of total program management for the evaluation period, the ACO will prepare a narrative performance report using the format shown in Attachment 4.

5. Discrepancy Reporting: During the award fee period, the Government may provide feedback to the contractor. The intent of such feedback is to provide direction to the contractor to correct or improve performance. The contractor shall be provided sufficient information to identify major performance deficiencies. The AFRB may consider the contractor's response to this feedback during the award fee period. [NOTE: Contractor should be aware of all individual deficiencies based on his acknowledgment of deficiencies on AF Form 372 (or equivalent).

Additionally, unacceptable performance would have resulted in issuance of AF Form 370 (or equivalent).]

SECTION C -- SPECIAL INTEREST ITEMS.

a. During the contract, the Government anticipates that it may want the Contractor to devote special emphasis to subjects of particular interest to the AFRB. Contractor assistance in this area would be subject to award fee consideration.

b. Special Interest Items shall:

(1) Be presented to the AFRB chairperson for approval in the format prescribed in Attachment 5.

(2) Only be approved by the AFRB chairperson.

(3) Be serially numbered for control purposes and be either added or deleted from this plan by letter signed by the AFRB chairperson. The ACO shall assign serial numbers.

c. The Special Interest Item shall not cause or result in an increase in the estimated cost of the contract.

d. Reporting requirements for each Special Interest Item shall be specified as part of the item format and shall be directive in nature.

SECTION D -- PERFORMANCE CRITERIA.

a. The following level of performance shall be employed for determining to what extent the contractor has earned and shall be entitled to receive any Award Fee. Except for Performance Level IV the factor scale listed on the next page are recommendations.

PERFORMANCE CRITERIA

PERFORMANCE LEVEL	FACTOR SCALE	PERFORMANCE DEFINITION
I	.85 - 1.0	The contractor's performance greatly exceeds the contract requirements. Areas of deficiency are few or nonexistent and are relatively unimportant.
II	.41 - .84	Contractor's performance is slightly above contract requirements.
III	.01 - .40	Contractor's performance exceeds <u>some</u> contract requirements while the remainder meets contract requirements. There are some areas of improvement that can be achieved in contractor performance.
IV	0	Contractor's performance meets contract requirements

b. The AFRB will determine a rating weight percentage for each performance criteria subfactor.

SECTION E -- AWARD FEE CALCULATION METHOD.

a. The Award Fee calculation method is as follows:

(1) Technical Operations

(a) Aircraft Thresholds and Support. The AFRB will determine performance levels the contractor achieved for each performance criterion in accordance with the evaluation criteria in Attachment 2. As approved by the AFRB chairperson, any combination or all of the thresholds listed in Section 3-2 of the Statement of Work may be used as criteria subfactors. Within the factor/subfactor scale, the numeric factor will be determined by applying any proportional percentage increase in the AETC standard range to the numeric factor range. For example, if a contractor achieves the Level I rating, a factor ranging between .85 - 1.0 may be used to determine the award fee for those performance criteria.

(b) Use the example on Attachment 3 to calculate the award fee for each performance criteria under Technical Operations.

(2) Program Management: The AFRB will assign performance levels for each performance criterion based upon an assessment of the contractor's performance. The AFRB will then assign a factor within that performance level. That factor will be used to determine the award fee. See example at Attachment 3.

(3) Efficient Use of Government Resources:

(a) Incentive to Reduce Government O&M Costs and Enhance Aircraft/Support Equipment Availability. The AFRB will determine performance levels the contractor achieved for performance criterion. The AFRB will then assign a factor within that performance level. That factor will be used to determine the award fee. See example at Attachment 3.

(b) Resource Management. The AFRB will determine performance levels the contractor achieved for performance criterion. The numeric factor within the performance level will be assigned by the AFRB. That factor will be used to determine the award fee.

(c) Environmental and Hazardous Waste Management. The AFRB will determine performance levels the contractor achieved for performance criterion. The numeric factor within the performance level will be assigned by the AFRB. That factor will be used to determine the award fee.

(4) To determine the total award fee dollars earned for each performance criterion, multiply the performance level factor by the rating weight percentage to determine the total percent earned. Then multiply the total award fee dollars for the evaluation period by the total percent earned. A sum total of all calculations for all criteria equals the total percentage of the award fee earned.

AWARD FEE ALLOCATION SCHEDULE

1. Allocation of Award Fee By Year and Period:

Contract Period	Allocation(%)	Percent of Total
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Evaluation Periods (including mobilization and basic period):

01 Sep 2001 through 31 Dec 2001	6%	25%
01 Jan 2002 through 31 Mar 2002	6%	25%
01 Apr 2002 through 30 Jun 2002	6%	25%
01 Jul 2002 through 30 Sep 2002	6%	25%
Total Award Fee Available (Percentage of target cost)	6%	100%

Option Years

Year 1 - 1 Oct 02 through 30 Sep 03
 Year 2 - 1 Oct 03 through 30 Sep 04
 Year 3 - 1 Oct 04 through 30 Sep 05
 Year 4 - 1 Oct 05 through 30 Sep 06
 Year 5 – 1 Oct 06 through 30 Sep 07
 Year 6 - 1 Oct 07 through 30 Sep 08
 Year 7 - 1 Oct 08 through 30 Sep 09

For each option year, evaluation periods will consist of four quarterly periods. The first period will be 1 Oct – 31 Dec, the second period will be 1 Jan - 31 Mar, the third period will be 1 Apr - 30 Jun, and the fourth period will be 1 Jul - 30 Sep, in all option years. The total award fee available is 6 percent for each option year. Twenty-five (25) percent of the award fee is available for each evaluation period.

2. Example with Dollars:

An EXAMPLE using \$1,000,000 as a total award fee is as follows:

01 Oct 02 - 31 Dec 02	\$250,000	25%
01 Jan 03 - 31 Mar 03	\$250,000	25%
01 Apr 03 - 30 Jun 03	\$250,000	25%
01 Jul 03 - 30 Sep 03	\$250,000	25%
Total Award Fee Available	\$1,000,000	100%

This example is for an option year.

Allocation of Award Fee by Performance Criteria and Weight

The following is a breakdown of aircraft maintenance's performance criteria: Technical Operations, Program Management, and Efficient Use of Government Resources. Potential award fee is subject to modification by the FDO. Weighted percentages for performance criteria will be determined by the AFRB.

	<u>Weight</u>
A. Technical Operations:	40%
T-37/T-38A/AT-38B/T-38C/T-6 Aircraft Standards and Support	
B. Program Management:	40%
<ul style="list-style-type: none"> 1. Productivity Improvements <ul style="list-style-type: none"> a. Technical Evaluations b. Observation Area Evaluations c. Training Program Effectiveness 2. Top Management Involvement <ul style="list-style-type: none"> a. Plans & Problems Resolution b. Management of Quality Control c. Reaction to Changes d. Contract Administration Liaison e. Small Business Programs Participation 3. Flight Line Operations 4. Corrosion Control/Cleanliness 5. Off-station Recovery Support 	
C. Efficient Use of Government Resources	20%
<ul style="list-style-type: none"> 1. Incentive to Reduce Government O&M Costs and Enhance Aircraft/Support Equipment Availability 2. Resource Management Effectiveness 3. Environmental and Hazardous Waste Management 	

For Technical Operations, Program Management, and Efficient Use of Government Resources, the criteria are attached for use in making an assessment of performance.

AWARD FEE EVALUATION CRITERIA**AIRCRAFT MAINTENANCE****TECHNICAL OPERATIONS****T-37/T-38A/AT-38B/T-38C/T-6 STANDARDS AND SUPPORT:**

Provides sufficient numbers of safe, reliable, mission capable aircraft to support the 80 FTW flying mission requirements. Aggressively works toward meeting AETC maintenance goals and thresholds (i.e. Mission Capable Rate, Fleet Time, Maintenance Scheduling Effectiveness, etc.).

PROGRAM MANAGEMENT**PRODUCTIVITY IMPROVEMENTS****TECHNICAL EVALUATIONS:**

Technical evaluations show that contractor personnel are performing maintenance as specified by the contract. Inspection baselines are rarely exceeded and major disqualifying factors such as major discrepancies or maintenance malpractice (omission of procedural steps in technical data, performance of improper/incorrect maintenance procedures, or maintenance actions that may cause injury to personnel or damage to equipment) rarely occur. Condition and appearance of aircraft and equipment display conscientious effort. Aircraft and equipment forms/automated systems documentation is complete and accurate. Management clearly supports quality control programs. Discrepancies are promptly corrected and appropriate actions taken to preclude/prevent recurrence.

OBSERVATION AREA EVALUATIONS:

Observation evaluations show that contractor personnel are maintaining and using work area tools, AFTO forms, and automated systems as specified by the contract. Contractor personnel are maintaining timely and accurate input and accountability of maintenance man hours expended. Major deficiencies such as untimely or improper documentation of Red X conditions, excessive foreign objects, out of date technical data, overdue TMDE, or poor housekeeping are rare. Problems caused by ineffective management of subcontractor providers are non-existent. Effective tool control and management of assets, e.g. repair cycle items, are evident. Special inspections and time change components are carefully tracked and scheduled for accomplishment in a timely manner. Management clearly supports effective quality control programs. Deficiencies are promptly corrected and corrective actions taken to preclude/prevent recurrence.

TRAINING PROGRAM EFFECTIVENESS:

Contractor management and maintenance of the Core Automated Maintenance System (CAMS) training subsystem and output products are virtually error free. Training event scheduling and

effectiveness are coordinated and supported at all levels. Special certification programs (RED X, IPI, engine run, flight control rigging, etc.) are clearly established in accordance with the contract and instructions. Required training is planned, conducted, and documented and no overdue training exists. Contractor has a program to appoint and certify instructors for all training needs. Employees are fully duty position qualified. Training deficiencies are promptly corrected and corrective actions taken to preclude/prevent recurrence.

TOP MANAGEMENT INVOLVEMENT

PLANS AND PROBLEMS RESOLUTION:

Contractor is a full and enthusiastic member of the group senior leadership. Actively participates in planning group mission accomplishment. Aggressively seeks problem resolution in coordination with other group and host base agencies. Actively seeks knowledge of other mission areas (such as operation, supply, transportation, etc.). Contractor leadership is knowledgeable of group and host base mission. Contractor actively supports and participates in unit and host base OPlans and contingencies. Contractor personnel who require working interface with other unit and host base agencies (i.e. host maintenance operations center, supply, budget management, plans and programs) are thoroughly knowledgeable in their liaison areas.

MANAGEMENT OF QUALITY CONTROL:

The methods of identifying deficiencies for each item of work are clearly defined (i.e. sampling, 100% inspections, checklists, etc.). Local baselines are clearly established in accordance with instructions. Inspectors are well-trained and conscientious. Inspectors properly document discrepancies as verified by Government Quality Assurance Representatives. Proper amounts and types of inspections are performed in a timely and thoroughly comprehensive manner. Discrepancies/deficiencies are promptly corrected and corrective actions taken to preclude/prevent their recurrence. Professionalism is shown in the finished product.

REACTION TO CHANGING REQUIREMENTS:

Changes to requirements are taken "in stride"; reaction is positive with quick results. Production of mission capable aircraft to meet mission changes continues without deviation from established schedules. Employees maintain positive attitude regarding mission accomplishment in the face of any changes. Presence of senior management on the flight line is increased during potentially disruptive periods. Senior managers show a high degree of involvement in solving problems

created by changes. The mobilization plan is executed smoothly and on-schedule. Contract regulations/instructions, quality control and training plans, safety and health plans, names and phone numbers of contract management and supervisory personnel, etc., are published and updated before assumption of responsibility. Functional areas are assumed by the dates specified in the Statement of Work with qualified/certified personnel. Readily cooperates with host unit leadership and other host organizations. Voluntarily assists in recommending methods to accomplish previously unforeseen changes to work as needed to ensure a smooth bed-down and the effective integration into the mission.

CONTRACT ADMINISTRATION LIAISON:

Contractor actively seeks better contract administration methods. All correspondence is handled expeditiously and is accurate. Problems are handled immediately and in full working partnership with the administrative contracting officer. Contractor regularly and voluntarily keeps contracting officer and FC apprised of contract performance results.

SMALL BUSINESS PROGRAMS PARTICIPATION

This section rates the performance by the contractor in exceeding the goals in the Subcontracting Performance Plan incorporated into the contract. Positive consideration may be given by award-fee officials for aggressiveness in pursuing opportunities to enhance the participation of Small Businesses, Small Disadvantaged Business Concerns, Women-Owned Small Businesses, Historically Black Colleges or Universities and Minority Institutions, HUBZone Small Businesses, Veteran-Owned and Service-Disabled Veteran-Owned and Controlled Small Businesses and other small business programs identified in FAR 19, to include supplements, in performance of the services associated with this contract.

FLIGHT LINE OPERATIONS

Flight line operations show clear, continuous evidence of a professional workforce. Employees present a neat and well-groomed appearance, greet aircrews upon arrival at aircraft, accompany them on preflight inspections, assist in cockpit activities, and assist with deplaning. Personnel are present to marshal in returning aircraft. Employees exhibit enthusiasm and professionalism. Flight line presents an orderly appearance such as fire extinguishers properly positioned, equipment properly stowed, fluid spills promptly cleaned up, and wheel chocks, grounding wires and streamers stowed neatly while aircraft is in flight. AGE hoses, cables and lines (where installed) are kept positioned in an orderly and safe manner. Managers and employees show a high degree of concern that aircrews, aircraft, AGE, vehicles, technical orders, and other flight line associated equipment are properly treated. Complimentary comments are frequently received from aircrews and visitors.

AIRCRAFT CORROSION CONTROL AND CLEANLINESS

Aircraft are maintained in outstanding condition. Aircraft exteriors are wiped down as needed to maintain cleanliness, cockpits kept FOD free, instruments are smudge free, interiors are wiped down and cleaned frequently, all decals are legible and little paint wear/chipping occurs before touchup is made, windcreens and all other transparencies are cleaned after each flight. External

markings adhere to Air Force aircraft technical data and command approved waivers. Corrosion prevention treatments required by technical orders are rigidly scheduled and accomplished. Residue such as hydraulic fluid, engine oil, grease, exhaust gases, etc., is seldom visible on the aircraft.

OFF-STATION RECOVERY SUPPORT

Recovery of not mission capable (NMC) aircraft off-station is treated as top priority. A recovery plan containing composition of team personnel, technical data, tool kits, checklists, spare parts, and vehicles is clearly present for the most frequent type of off-station recoveries. Also readily available are maps of recovery areas and written procedures for off-station support. Maintenance personnel are well trained and react properly and quickly to these support situations. Recovery teams arrive at the off-station location not later than the next duty day and are working the aircraft by the beginning of the second duty day where applicable. Team takes most direct route and reaches support location in minimum time, considering road conditions, weather, etc. Team consistently makes accurate decisions and recovers aircraft in minimum time considering type of maintenance required. Aircraft consistently return to home station without a repeat of the same malfunction.

EFFICIENT USE OF GOVERNMENT RESOURCES

INCENTIVE TO REDUCE GOVERNMENT O&M COSTS AND ENHANCE AIRCRAFT/SUPPORT EQUIPMENT AVAILABILITY:

Reduces Government operations and maintenance (O&M) costs through the management of Government resources and by improving on-equipment repair processes which enhance aircraft/support equipment availability. Accomplished by analyzing existing repair procedures/processes, and where cost effective, requesting new authority.

Develops, prepares, and submits Gold Way Program initiative proposals, technical order change requests, repair proposals, and other efficiencies which reduce O&M costs and (or) enhance on-equipment maintenance efficiency. Requests or proposals are limited to assigned aircraft, engines, or support equipment for base-level repair actions which require changes to technical data, local manufacture and (or) repair authorization, and new or improved maintenance procedures, to include support equipment.

Fully participates in the materiel deficiency, technical order improvement, repair evaluation proposal, zero-overpricing, and “common sense repair” programs. Establishes active scrap metal/parts and waste liquid petroleum product recovery programs as applicable.

RESOURCE MANAGEMENT EFFECTIVENESS:

Aggressively tracks resource usage and budget expenditures. Prepares for future requirements. Ensures resources are available and in place upon demand. Efficiently utilizes all resources as indicated by consumption rate data, inventory level trends, etc. Budget expenditures are carefully managed and kept on target.

ENVIRONMENTAL AND HAZARDOUS WASTE MANAGEMENT:

Actively pursues methods that minimize/eliminate the risk of environmental pollution. Fully participates in the hazardous waste/material management program. Contractor personnel adhere to AF, AETC, and base directives concerning the handling of potentially hazardous/toxic/radioactive materials. Fully supports the Environmental Compliance Assessment and Management Program (ECAMP).

**AWARD FEE EVALUATION CRITERIA
(EXAMPLE ONLY)**

	Performance <u>Level</u>	Assigned <u>Factor</u>	Rating <u>Weight</u>	Total(%) <u>Earned</u>	Total(\$) <u>Earned</u>
A. Technical Operations					
1. Mission Capable Rate	Level I	1.0	10%	10.0%	32,205
2. Average Fleet Time	Level II	.65	10%	6.5%	20,933
3. Non-Deliveries	Level III	.20	10%	2.0%	6,441
4. TNMCM	Level II	.75	5%	3.75%	12,077
5. Maint. Scheduling Effectiveness	Level I	.90	5%	4.5%	14,492
Subtotal			40%	26.75%	86,148
B. Program Management					
(1) Productivity Improvements					
1. Technical Evaluations	Level I	.85	5%	4.25%	13,687
2. Observation Area Evals	Level III	.10	4%	.4%	1,288
3. Trng Prog Effectiveness	Level II	.45	4%	1.8%	5,797
(2) Top Management Involvement					
1. Plans & Problems Resolution	Level II	.69	4%	2.76%	8,888
2. Management of Quality Control	Level III	.28	4%	1.12%	3,607
3. Reaction to Changes	Level II	.55	4%	2.2%	7,085
4. Contract Admin Liaison	Level IV	0	2%	0	0
5. SB Programs Participation	Level IV	0	1%	0	0
(3) Flight Line Operations	Level I	.95	4%	3.8%	12,238
(4) Corrosion Control/Cleanliness	Level I	.95	4%	3.8%	12,238
(5) Cross-Country Aircraft Support	Level II	.65	4%	2.6%	8,373
Subtotal			40%	22.73%	73,201
C. Efficient Use of Government Resources					
(1) Incentive to Reduce Government O&M Costs	Level I	.90	10%	9%	28,984
(2) Resource Mgmt	Level II	.80	5%	4%	12,882
(3) Environmental and Hazardous Waste Management	Level I	.90	5%	4.5%	14,492
Subtotal			20%	17.5%	56,358
			100.0%	66.98%	215,707

Using the above example the contractor would earn \$215,707 (66.98%) of the quarterly award fee pool (\$322,047)

For example, the first three factors would be computed as follows:

Step 1: 1.0/.65/.2 are the assigned numerical factors for the T-38C Aircraft.

Step 2: $1.0/.65/.2 \times 10$ (Award Fee percent) = 10/6.5/2.0

Step 3: $10\% \times 322,047$ (example total award fee) = \$32,204.70

$6.5\% \times 322,047 = \$20,933.06$

$2.0\% \times 322,047 = \$6,440.94$

The above is for illustrative purposes only. The AFRB may place emphasis where they deem necessary, so long as the 40-40-20 percentages are maintained.

SAMPLE REPORT

REPORT PERIOD:

CONTRACT PERFORMANCE EVALUATION

1. Contractor's overall contract performance for this reporting period is rated

_____.

2. Contractor exceeded contract thresholds in the following areas:
(List Exceptional Performance Areas)

3. Although contractor exceeded thresholds in most cases, AFRB has the following areas of concern:

(List Areas of Concern)

Chairperson of Award Fee Board

SPECIAL INTEREST ITEM
FOR
(SPECIFIC FUNCTIONAL AREA)

SUBJECT:

REASON FOR SPECIAL INTEREST: (Source could be AETC/CC/CV/LG visit team, inquiry, or special emphasis directed by higher headquarters, etc.)

EFFORT DESIRED BY CONTRACTOR: (Should be as specific as possible to include location, functional areas, and timeliness required.)

REPORTING REQUIREMENTS: (Frequency, by whom and to whom.)

APPROVED/DISAPPROVED

SERIAL # (Assigned at time of approval)

CONTRACT AWARD FEE BOARD CHAIRPERSON

**EXAMPLE FOR PRICING EXTENSION
FOR FLYING HOUR CONTRACT**

(Example using a 4 month extension)

Item	Funding At Time of Extension	Back Out Flying Hour Adjustments for FY at Time of Extension	Subtotal	Months Extended/ 12 Months *	Add/Subt Delta to Extension for Flying Hr Adj Dollars **	Total Extension Period Funding
				33.333%		
T38C A/C Mx	\$3,600,328	-\$1,500	\$3,598,828	\$1,199,597	-\$111,397	\$1,088,200
T-6 A/C Mx	\$2,452,189	\$36,000	\$2,488,189	\$829,388	\$46,080	\$875,468
Other Targ	\$1,554,218		\$1,554,218	\$518,067		\$518,067
Tot Targ Cost	\$7,606,735	\$34,500	\$7,641,235	\$2,547,053	-\$65,317	\$2,481,736
Total Targ Fee	\$ 38,034	\$173	\$38,206	\$12,735	\$ (327)	\$ 12,409
Tot Targ Price	\$7,644,769	\$34,673	\$7,679,441	\$2,559,788	-\$65,644	\$2,494,145
Ceiling Price	\$ 7,834,937	\$35,535	\$7,870,472	\$2,623,464	-\$67,276.51	\$2,556,188
Award Fee	\$ 456,404	\$2,070	\$458,474	\$152,823	\$ (3,919)	\$148,904
T-6 Off Sta	\$50,000		\$50,000	\$16,667		\$16,667
Travel	\$50,000		\$50,000	\$16,667		\$16,667
ContAcqVeh	\$40,965		\$40,965	\$13,655		\$13,655
WageAdj 4/01	\$156,000		\$156,000	\$51,999		\$51,999
WageAdj 5/03	\$600,000		\$600,000	\$199,998		\$199,998
WageAdj 4/05	\$700,000		\$700,000	\$233,331		\$233,331
WageAdj 4/07	\$800,000		\$800,000	\$266,664		\$266,664

EXTENSION AMOUNT TO BE OBLIGATED

\$3,293,125

* Percentage Calculation for 4 Month Extension: 4 Months divided by 12 months = 33.333%

** See Attached Spreadsheet entitled "Flying Hour Adjustment for Extension."

**NOTE: Award fee will not be funded until after award fee board decision.
Weekend/Holiday Flying was not included in this example since it is funded differently from contract to contract. If it is fully funded, it would be included in an extension. In the example, DoL issued new wage determinations every 2 years.**

B-2. CLAUSES AND PROVISIONS

a. Clauses and provisions from the Federal Acquisition Regulation (FAR) and supplements thereto are incorporated in this document by reference and in full text. Those incorporated by reference have the same force and effect as if they were given in full text.

b. Clauses and provisions in this document will be numbered in sequence, but will not necessarily appear in consecutive order.

c. Sections K, L and M will be physically removed from any resultant award, but will be deemed to be incorporated, by reference, in that award.

B-3. AWARD FEE

a. The award fee amounts cited in CLINs 0003, 1003, 2003, 3003, 4003, 5003, 6003 and 7003 are the maximum amounts that can be earned for the entire performance period of the basic contract period and each option year. Each performance period is divided into quarterly evaluation periods (1 Oct-31 Dec, 1 Jan-31 Mar, 1 Apr-30 Jun and 1 Jul-30 Sep). Twenty-five (25) percent of the maximum award fee can be earned in each evaluation period in the basic contract period and each option year.

b. For a successor contractor in the basic contract period only, unearned award fee for the first evaluation period will be carried over into the second evaluation period; however, any unearned amounts after the second evaluation period cannot be recouped in subsequent evaluation periods.

c. In addition to the other compensation set forth herein, the Contractor may earn and be paid for all or a portion of an Award Fee not to exceed the maximum authorized in Section B for the specified evaluation period, as determined by the Fee Determining Official (FDO). The unilateral decision of the FDO will be final.

d. Determination of Award Fee, if any, earned by the Contractor and any payment thereof, shall be made quarterly. The quarterly amount provided in Section B will be available for award during each three-month evaluation period. In no event shall any Award Fee be earned or paid in excess of the amount established as the maximum.

e. Before an evaluation period is started, the Government may unilaterally modify the award fee performance criteria and performance evaluation areas applicable to the evaluation period. The Government may also unilaterally revise the distribution of remaining award fee dollars among the remaining periods. The Contracting Officer will notify the Contractor of these changes in writing before the relevant evaluation period is started and the award fee plan will be modified accordingly.

B-8. T-6 OFF STATION RECOVERY.

This item is priced on a cost reimbursable basis only. Administrative or clerical expenses in support of this CLIN are optional and may be included. However, **no** overhead, G&A or profit will be paid under this CLIN. The number of requirements is not firm but is based on the government's best estimate. Please reference SOW paragraph 3.1.33.2.4. **NOTE: All vehicle expenses shall be included in the CAV CLINs.**

B-9. PRICE ADJUSTMENT FOR CHANGE IN AIRCRAFT FLYING HOURS

a. The AETC Flying Training Projection, based on operational year source document, "AETC Flying Hour/Sortie Allocation (AETC/PA)," reflected in the Contract Award column, Section C, Appendix 3B to this contract, represents the Government's best estimate of the hours to be flown by T-37, T-38, AT-38B, T-38C and T-6 aircraft during the course of this contract. The contractor shall be responsible for support of all flying training requirements for T-37, T-38, AT-38B, T-38C and T-6 aircraft that may generate for Sheppard AFB during the period of performance of this contract.

(1) For the basic and option periods, any difference between the contract award flying hours (total by type aircraft) specified in Section C, Appendix 3B and the Operational Period HQ AETC/PA, will be reconciled by an initial adjustment.

(2) The adjustment will include all hours within this differential and the target cost, target profit, target price, ceiling price, and Award Fee pool will be adjusted based on the aircraft hourly adjustment rate specified in Section B, paragraph B-1.

(3) The Operational Period (initial) HQ AETC/PA hours will be established as the new baseline and entered in the "Operational Period Baseline" column specified in Section C, Appendix 3B. Thereafter (within the operational period following the initial adjustment), if the total flying hours (total by type aircraft) within a contract performance period, as adjusted by subsequent updates and/or annexes issued to the Operational Period HQ AETC/PA, vary by an amount exceeding minus 5% (-5%) or plus 5% (+5%) of the new baseline established by the initial adjustment, a subsequent adjustment will be made for all hours (total by type aircraft) differing from the established baseline. This adjustment will result in a change to the baseline ("Operational Period Baseline" column in Section C, Appendix 3B) and the target cost, target profit, target price, ceiling price, and award fee pool will be adjusted based on the aircraft hourly adjustment rate specified in Section B. Any further changes in flying hours (requiring contract adjustment) during the operational period will be based on the difference from the adjusted baseline ("Operational Period Baseline" column) and the current (updated) HQ AETC/PA.

(4) The +/-5% parameter detailed above will apply to any subsequent changes from the current adjusted baseline within an operational period.

b. The following procedures will be used to adjust the contract for making changes to the flying training hour projections in Section C, Appendix 3B:

adjustment. Conversely, if the government received a reduction in the contract due to a TAI decrease adjustment modification and later the same fiscal year the PA changes to correlate with the reduction in aircraft, the TAI adjustment will be added to the reduction in the PA.

B-10. WEEKEND/HOLIDAY FLYING

Performance under this contract is based upon a student flying program that will normally be accomplished Monday through Friday but will also include Saturday, Sunday and Holiday cross country aircraft returns. Each contract performance period includes a line item with an estimated not-to-exceed amount for weekend/holiday flying, which is reserved for reimbursement as approved by the ACO. It is recognized that conditions such as adverse weather may prevent the Government from meeting the AETC Flying Hour/Sortie Allocation schedule and additional student flying days will be required on Saturday, Sunday or holidays. All contract services in support of weekend flying days required on other than Monday through Friday will be contractually covered by an order issued by the Administrative Contracting Officer (ACO). Reimbursement for the additional student flying days will be for actual costs incurred, excluding profit. Weekend flying costs shall not be included in target cost/target profit calculations. Such costs will be submitted for each additional day or partial day to the ACO for approval. The contractor shall submit a voucher for weekend flying costs using a separate series of Standard Forms 1034, which shall detail all items for which reimbursement is claimed. These voucher costs shall be audited by the cognizant audit agency. Cost principles and procedures of FAR Part 31, as supplemented, shall apply. See Section C, paragraphs 3.1.57. through 3.1.57.4.4., AETC Flying Hour/Sortie Allocation (HQ AETC/PA) Projection.

B-11. WAGE PASS THROUGH ADJUSTMENT COSTS

All wage pass through costs will be processed utilizing the hours reimbursable method in accordance with FAR 52.222-43, Fair Labor Standards Act and Service Contract Act-Price Adjustment (Multiple Year and Option Contracts). The addition of a "not-to-exceed" amount wage adjustment line item will be added by modification to the basic contract. The contractor will be required to submit on a monthly basis an itemized billing and to certify to its accuracy. Labor categories shown on the billing shall be covered by the Service Contract Act (Department of Labor Wage Determination), or a conformable wage agreement in writing in the basic contract. Salaries of project managers, non-working supervisors, and other indirect salaried employees are excluded.

B-12. MONTHLY PRICE ADJUSTMENT FOR CHANGE IN TOTAL ACTIVE INVENTORY (TAI) AIRCRAFT, WITHOUT A CORRESPONDING INCREASE OR DECREASE IN FLYING HOURS:

NOTICE: THIS CLAUSE DOES NOT GO INTO EFFECT FOR EACH WEAPON SYSTEM UNTIL COMPLETION OF ALL AIRCRAFT DELIVERIES FOR THAT WEAPON SYSTEM AS LISTED IN APPENDIX 3B.

a. The number of total active inventory (TAI) aircraft by Mission/Design/Series (MDS), listed in Section C, Appendix 3B, represents the government's best current estimate of the number of aircraft that the contractor will maintain during the course of this contract. However, subject to the limitations of the general scope and level of workload as described in the Statement of Work (SOW) and Appendices, it is understood that a particular aircraft may be replaced by another aircraft of the same type, and the number of aircraft categorized as backup, aerospace vehicle inventory or attrition reserve may change from time to time. Except as outlined in this clause, such changes, within reasonable threshold, are considered to be normal, and neither party shall be entitled to an equitable adjustment simply by virtue of such fluctuations.

b. Changes in the number of TAI aircraft corresponding with a change in the "AETC Flying Hour/Sortie Allocation" hours shall be addressed solely by the Hourly Adjustment Rate provision of this contract if no TAI adjustment has been made for those additional aircraft that same fiscal year. (Reference Clause B-9.)

c. By MDS, if the number of TAI aircraft increase or decrease by more than the percentage listed in the table below (without a corresponding cumulative increase or decrease in the "AETC Flying Hour/Sortie Allocation" hours) for more than 90 consecutive days, the price shall be adjusted in accordance with the prices in CLINs 0005, 1005, 2005, 3005, 4005, 5005, 6005, 7005 in accordance with the "Changes" clause in this contract. The number of TAI aircraft are recorded by the HQ AETC Aerospace Vehicle Distribution Officer in the master Air Force aerospace vehicle inventory report (Ref: AFI 16-402). Note: HQ AETC LGMA-ADVO records inventories at the beginning of each month.

Number of TAI Aircraft	+/- Percentage
0 - 50	10%
51 - 75	7%
76 - above	5%

d. The following example is based on the current TAI aircraft by MDS. For purposes of such adjustment, different MDS will be treated separately. That is, an increase (or decrease) of four (4) T-38C aircraft, (without a corresponding cumulative increase or decrease in flying hours) would not justify a price adjustment. However, an increase or decrease of six (6) T-38C aircraft, (without a corresponding cumulative increase or decrease in flying hours) would justify a price adjustment. For further clarification, an increase or decrease of three (3) T-38Cs for more than ninety consecutive days would not justify an adjustment. However, an increase or decrease of six (6) T-38Cs for more than 90 consecutive days would justify an adjustment. If four (4) T38C aircraft are received in Jan and four (4) additional T38C aircraft are received in Feb, an adjustment for eight (8) aircraft would be authorized when the percentage threshold is exceeded for more than 90 consecutive days. In this case, reimbursement would begin in Feb. The adjustment includes the cumulative increase or decrease by MDS retroactive to the date the TAI aircraft first differed from the TAI numbers listed in Section C, Appendix 3B for that fiscal year. The MDS TAI listed in Section C, Appendix 3B, will be adjusted under two conditions: 1) To reflect aircraft changes driven by flying hour adjustments and, 2) As a result of TAI aircraft increase or decrease by more than the percentage of TAI listed in the table above. Any of these

adjustments will establish a new TAI baseline and will be entered in Section C, Appendix 3B.

MDS	* TAI Aircraft	+/- Percentage	** +/- TAI Aircraft
T-37	97	5%	5
T-38	98	5%	5
AT-38B	25	10%	3
T-38C	67	7%	5
T-6	39	10%	4
*TAI aircraft numbers extracted from Appendix 3B			
**+/- TAI aircraft round to the nearest whole number			

e. TAI adjustments due to increases or decreases in numbers of aircraft represent work changes. This work consists of variations in preflight, thru-flight, and basic post-flight inspections; ground handling; servicing; washes; calendar inspections; TCTO and one-time inspection requirements; and transfer/acceptance inspections. TAI rates shall include projected annual labor rate increases, as they will not be subject to annual adjustments under provisions of FAR 52.222-43. TAI rates shall exclude fee, since, like the FH adjustment rates, they affect target cost to which target fee will be applied.

NOTE: CLIN X005 will be used for all TAI rate adjustments for the T-38C aircraft, unless the distinction is absolutely necessary for clarification. Also, in Option Year 6 CLIN X005 will change to support the mission for TAI rate adjustments for the T-6 aircraft.

B-13. COLLECTIVE BARGAINING AGREEMENTS

Title 29, Part 4 of the Code of Federal Regulations, para 4.163(a), section 4(c) of the Service Contract Act provides that no "contractor or subcontractor under a contract, which succeeds a contract subject to this Act and under which substantially the same services are furnished, shall pay any service employee under such contract less than the wages and fringe benefits, including accrued wages and fringe benefits, and any prospective increases in wages and fringe benefits provided for in a collective bargaining agreement as a result of arm's-length negotiations, to which such service employees would have been entitled if they were employed under the predecessor contract... The obligation of the successor contractor is limited to the wage and fringe benefit requirements of the predecessor's collective bargaining agreement and does not extend to other items such as seniority, grievance procedures, work rules, overtime, etc." (See this Section for further information.)

PART I - THE SCHEDULE
SECTION E
INSPECTION AND ACCEPTANCE

E-5.	52.246-4	INSPECTION OF SERVICES—FIXED-PRICE (IAW FAR 46.304)	AUG 1996
E-22.	52.246-16	RESPONSIBILITY FOR SUPPLIES (IAW FAR 46.316)	APR 1984
E-41.		INSPECTION AND ACCEPTANCE (IAW FAR 46.401(b), and 46.503)	

Inspection and acceptance of the Services/Supplies will be performed at Sheppard AFB, TX by the 80th FTW/LGM.

E-600.	5352.246-9000	TIME AND PLACE OF INSPECTION AND ACCEPTANCE (IAW AETCFARS 5346.503)	JUL 1993
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In addition to inspections provided for elsewhere in the contract, supplies delivered under this contract will be inspected at destination and acceptance will be by 80th FTW/LGM, or his or her duly authorized representative, at the time of delivery and at the place of delivery as specified in Section F.

SECTION E Inspection and Acceptance

INSPECTION AND ACCEPTANCE TERMS

Supplies/services will be inspected/accepted at:

CLIN	INSPECT AT	INSPECT BY	ACCEPT AT	ACCEPT BY
0000	Destination	Government	Destination	Government
1000	Destination	Government	Destination	Government
2000	Destination	Government	Destination	Government
3000	Destination	Government	Destination	Government
4000	Destination	Government	Destination	Government
5000	Destination	Government	Destination	Government
6000	Destination	Government	Destination	Government
7000	Destination	Government	Destination	Government
8000	Destination	Government	Destination	Government

SECTION F Deliveries or Performance

DELIVERY INFORMATION

CLINS	DELIVERY DATE	UNIT OF ISSUE	QUANTITY	FOB	SHIP TO ADDRESS
0001	POP 01-SEP-01 TO 30-SEP-01	Lot	1.00	Dest.	F73FTW 80 FTW/CC - F73FTW BLDG 2320 STOP 10 SHEPPARD AFB, TX 76311 No Contacts Identified
0000	POP 01-OCT-01 TO 30-SEP-02	Lot	1.00	Dest.	Same as CLIN 0001
1000	POP 01-OCT-02 TO 30-SEP-03	Lot	1.00	Dest.	Same as CLIN 0001
2000	POP 01-OCT-03 TO 30-SEP-04	Lot	1.00	Dest.	Same as CLIN 0001
3000	POP 01-OCT-04 TO 30-SEP-05	Lot	1.00	Dest.	Same as CLIN 0001
4000	POP 01-OCT-05 TO 30-SEP-06	Lot	1.00	Dest.	Same as CLIN 0001
5000	POP 01-OCT-06 TO 30-SEP-07	Lot	1.00	Dest.	Same as CLIN 0001
6000	POP 01-OCT-07 TO 30-SEP-08	Lot	1.00	Dest.	Same as CLIN 0001
7000	POP 01-OCT-08 TO 30-SEP-09	Lot	1.00	Dest.	Same as CLIN 0001

**PART I - THE SCHEDULE
SECTION H
SPECIAL CONTRACT REQUIREMENTS**

H-91. WAGE DETERMINATION
(IAW FAR 22.1012-1)

Service Contract Act Wage Determination Numbers listed in Section J, Attachment 6, are attached hereto and made a part hereof.

H-109. REQUIRED INSURANCE
(IAW FAR 28.306(b) and 28.307)

Reference FAR clause entitled "**Insurance . . .**" the Contractor shall, at its own expense, procure and thereafter maintain the following kinds of insurance with respect to performance under the contract.

a. Workmen's Compensation and Employers Liability Insurance as required by law except that if this contract is to be performed in a State which does not require or permit private insurance, then compliance with the statutory or administrative requirements in any such State will be satisfactory. The required Workmen's Compensation insurance shall extend to cover employer's liability for accidental bodily injury or death and for occupational disease with a minimum liability limit of **\$100,000**.

b. General Liability Insurance. Bodily injury liability insurance, in the minimum limits of **\$500,000** per occurrence shall be required on the comprehensive form of policy.

c. Automobile Liability Insurance. This insurance shall be required on the comprehensive form of policy and shall provide bodily injury liability and property damage liability covering the operation of all automobiles used in connection with the performance of the contract. At least the minimum limits of **\$200,000** per person and **\$500,000** per occurrence for bodily injury and **\$20,000** per occurrence for property damage shall be required.

H-302. 5352.204-9000 NOTIFICATION OF GOVERNMENT SECURITY ACTIVITY.
(IAW AFFARS 5304.404-90) MAY 1996

Thirty days before the date contractor operations will begin on base, the contractor shall notify the security police activity shown in the distribution block of the DD Form 254, DOD Contract Security Classification Specification, as to:

(a) The name, address, and telephone number of this contract company's representative and designated

alternate in the U.S. or overseas area, as appropriate;

(b) The contract number and military contracting command;

(c) The highest classification category of defense information to which contractor employees will have access;

(d) The Air Force installations in the U.S. (in overseas areas, identify only the APO number(s)) where the contract work will be performed;

(e) The date contractor operations will begin on base in the U.S. or in the overseas area;

(f) The estimated completion date of operations on base in the U.S. or in the overseas area; and

(g) Any changes to information previously provided under this clause.

This requirement is in addition to visit request procedures contained in DOD 5220.22-M, National Industrial Security Program Operating Manual.

I-131.	52.215-8	(IAW FAR 15.209(b)) ORDER OF PRECEDENCE— UNIFORM CONTRACT FORMAT	OCT 1997
I-134.	52.215-11	(IAW FAR 15.209(h)) PRICE REDUCTION FOR DEFECTIVE COST OR PRICING DATA--MODIFICATIONS	OCT 1997
I-136.	52.215-13	(IAW FAR 15.408(c)) SUBCONTRACTOR COST OR PRICING DATA-- MODIFICATIONS (IAW FAR 15.408(e))	OCT 1997
I-137.	52.215-14	(IAW FAR 15.408(e)) INTEGRITY OF UNIT PRICES	OCT 1997
I-139.	52.215-15	(IAW FAR 15.408(g)) PENSION ADJUSTMENTS AND ASSET REVERSIONS	DEC 1998
I-146.	52.215-18	(IAW FAR 15.408(j)) REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS (PRB) OTHER THAN PENSIONS	OCT 1997
I-147.	52.215-19	(IAW FAR 15.408(k)) NOTIFICATION OF OWNERSHIP CHANGES	OCT 1997
I-148.	52.215-20	(IAW FAR 15.408(l)) REQUIREMENT FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA	OCT 1997
I-149.	52.215-20	(IAW FAR 15.408(l)) ALT III	OCT 1997
(c) See Section L.			
I-150.	52.215-20	(IAW FAR 15.408(l)) ALT IV	OCT 1997
(b) See Section L.			
I-155.	52.215-21	(IAW FAR 15.408(m)) REQUIREMENT FOR COST OR PRICING DATA OR INFORMATION OTHER THAN COST OR PRICING DATA--MODIFICATIONS	OCT 1997
I-158.	52.215-21	(IAW FAR 15.408(m)) ALT III	OCT 1997
(c) See Section L.			
I-166.	52.216-16	(IAW FAR 16.406(a)) INCENTIVE PRICE REVISION—FIRM TARGET	OCT 1997
For the purpose of this clause the blank(s) are completed as follows:			
(a)	0002, 1002, 2002, 3002, 4002, 5002, 6002 and 7002		
	\$ _____ (See page A-2 of contract document (completed after award))		
(c)	60 Calendar Days		
(d)(2)(ii)	_____ % (See page A-2 of contract document (completed after award))		
(d)(2)(iii)	_____ % (See page A-2 of contract document (completed after award))		
I-167.	52.216-16	(IAW FAR 16.406(a)) ALTERNATE I	APR 1984

SECTION J
PART III - LIST OF DOCUMENTS, EXHIBITS AND OTHER ATTACHMENTS

LIST OF ATTACHMENTS

<u>ATTACHMENT NUMBER</u>	<u>TITLE</u>	<u>DATE</u>	<u>NUMBER OF PAGES</u>
Attachment 1	WITHDRAWN		
Attachment 2	WITHDRAWN		
Attachment 3	WITHDRAWN		
Attachment 4	Statement of Work (SOW) for Aircraft Maintenance Services, Sheppard AFB, TX (Which include various SOW Sections and Appendices)	20 Dec 2000	1,475
Attachment 5	Equivalent Rates for Federal Hires	25 OCT 2000	3
Attachment 6	U.S. Department of Labor Wage Determinations Numbers: 1994-2526 (Rev 17) 06/21/2001 (8 pages) 1997-0281 (Rev 2) 08/01/2000 (1 page) Collective Bargaining Agreement (CBA) 04/10/2000 (67 pgs)		
Attachment 7	DOD Contract Security Classification Specification, DD Form 254	1 SEP 2001	2
Attachment 8	Award Fee Evaluation Plan	1 OCT 2001	22
Attachment 9	Example For Pricing Extension for Flying Hour Contract	undated	1